

EXHIBIT 1

**FEDERAL CIVIL
JURY INSTRUCTIONS
OF THE
SEVENTH CIRCUIT**

**Prepared By
The Committee on Pattern Civil Jury Instructions
of the Seventh Circuit**

(2017 rev.)

11.2.11.1	Infringement — Definition	273
11.2.11.2	Infringement — Doctrine of Equivalents	275
11.2.11.3	Infringement — Means-Plus-Function Claim Language	277
11.2.11.4	Determining Infringement	279
11.2.12	Indirect Infringement — Inducement	280
11.2.13	Indirect Infringement — Contributory Infringement	281
11.2.14	Willful Infringement	283
11.3. <i>Invalidity</i>		
11.3.1	Validity — General.	286
11.3.2	Invalidity — Specification Requirements.	287
11.3.2.1	Specification Requirements — Written Description	288
11.3.2.2	Specification Requirements — Enablement.	289
11.3.2.3	Specification Requirements — Best Mode.	291
11.3.2.4	Specification Requirements — Indefiniteness	292
11.3.3	Section 102 and 103 Defenses — Definition of “Prior Art”.	293
11.3.4	Section 102 Defenses — Prior Art - Definitions	295
11.3.5	Section 102 Defenses — Elements.	297
11.3.6	Obviousness	299
11.3.6.1	Obviousness — Additional Factors Indicating Non-Obviousness	302
11.3.6.2	Obviousness – Combining of Prior Art References	304
11.3.7	Inequitable Conduct	305
11.4. <i>Damages</i>		
11.4.1	Damages — General.	306
11.4.2	Two Types of Damages — Lost Profits & Reasonable Royalty.	307
11.4.3	Lost Profits	308
11.4.3.1	Lost Profits — <i>Panduit</i> Test.	310
11.4.3.2	Lost Profits — Two Supplier Market	312
11.4.3.3	Lost Profits — Market Share Method.	313
11.4.3.4	Lost Profits — Collateral Sales.	314
11.4.3.5	Lost Profits — Price Erosion / Cost Increases	315
11.4.3.6	Lost Profits — Amount.	316
11.4.4	Reasonable Royalty	318
11.4.5	Single / Multiple Recoveries for Infringing Act	321
11.4.6	Requirement of Notice (Claims Involving Products)	322
11.4.7	Totaling the Damage Award.	324
12. Copyright		325
12.1.1	Copyright — Allegation Defined	326
12.2.1	Copyright Infringement.	327
12.3.1	Validity	329
12.4.1	Ownership.	331
12.4.2	Ownership — Works Made for Hire.	333
12.4.3	Ownership — Compilation or Collective Work	334
12.4.4	Ownership — Derivative Work	335
12.5.1	Copying.	336

12.5.2	Copying — Definition of “Protected Expression”	338
12.6.1	Derivative Liability — Vicarious Infringement	340
12.6.2	Derivative Liability — Contributory Infringement.	342
12.7.1	Defenses — Fair Use	345
12.7.2	Defenses — Abandonment	348
12.7.3	Defenses — Unclean Hands / Estoppel	349
12.8.1	Damages — General	350
12.8.2	Damages — Actual Damages	351
12.8.3	Damages — Defendant’s Profits.	352
12.8.4	Damages — Statutory Damages	353
13.	TRADEMARK.	356
13.1.1	Trademark/Trade Dress Infringement -- Nature of Claim	357
13.1.2	Trademark/Trade Dress infringement – Elements	359
13.1.2.1	Ownership and Priority – Unregistered and Contestable Marks.	364
13.1.2.2	Validity - Trademark /Trade Dress	366
13.1.2.2.1	Validity - Trademark – Inherent Distinctiveness -- Fanciful, Arbitrary, and Suggestive Marks	367
13.1.2.2.2	Validity - Trade Dress - Inherent Distinctiveness.	370
13.1.2.2.3	Validity – Descriptive Trademark/Trade Dress – Acquired Distinctiveness	372
13.1.2.2.4	Validity – Trademark/Trade Dress – Acquired Distinctiveness	374
13.1.2.2.5	Validity – Generic Trademark/Trade Dress	377
13.1.2.2.6	Validity – Trade Dress – Non-Functionality Requirement.	380
13.1.2.3	Infringement – Elements – Likelihood Of Confusion – Factors.	383
13.2.1	Contributory Infringement	386
13.3.1	False Advertising Under Lanham Act – Elements of Claim.	388
13.4.1	Trademark Dilution – Elements	390
13.5.1	Affirmative defenses – Nominative Fair Use	391
13.5.2	Affirmative Defenses – Classic Fair Use	393
13.5.3	Affirmative Defenses – Laches/Acquiescence	395
13.5.4	Affirmative Defenses – Abandonment	396
13.5.5	Affirmative Defenses – Continuous Prior Use – Registered Marks	397
13.5.6	Affirmative Defenses – Registered Trade Dress – Functionality	399
13.5.7	Affirmative Defenses – Genericness – Incontestable Trademark / Trade Dress.	400
13.5.8	Affirmative Defenses – Fraud in Procurement	401
13.6.1	Remedies – Types	402
13.6.2	Remedies – Actual or Statutory Notice – Registered Marks	403
13.6.3	Actual Damages	404
13.6.4	Defendant’s Profits	407
13.6.5	Intentional Infringement	409
	APPENDIX: SAMPLE PRELIMINARY INSTRUCTIONS	410

12.8.3 DAMAGES — DEFENDANT’S PROFITS

[In addition to recovering for his actual losses,] Plaintiff is entitled to recover the profits that Defendant made because of the infringement. [Defendant’s profits are recoverable, however, only to the extent that you have not taken them into account in determining Plaintiff’s actual losses.]

Defendant’s profits are revenues that Defendant made because of the infringement, minus Defendant’s expenses in [producing; distributing; marketing; selling] the [*insert description of infringing material, e.g. product, advertisement, book, song, etc.*]. Plaintiff need only prove Defendant’s revenues. Defendant must prove his own expenses [and any portion of his profits that resulted from factors other than infringement of Plaintiff’s copyright].

Committee Comments

1. General authority. *See* 17 U.S.C. §504(b). The rationale for allowing the copyright owner to recover the infringer’s profits in addition to the owner’s actual losses is that it prevents the infringer from keeping “windfall” profits that he made from his decision to infringe the copyright rather than to negotiate with the copyright owner for a license. *See Taylor v. Meirick*, 712 F.2d 1112, 1120 (7th Cir. 1983); *Bucklew v. Hawkins, Ash, Baptie & Co.*, 329 F.3d 923, 931 (7th Cir. 2003).

2. Standard. *See, e.g., Hamil America Inc. v. GFI*, 193 F.3d 92, 108 n. 7 (2d Cir. 1999); *Robert R. Jones Assocs., Inc. v. Nino Homes*, 858 F.2d 274, 281 (6th Cir. 1988).

3. Actual Losses and Profits. The bracketed language in the instruction’s first paragraph should be used only in cases where the plaintiff seeks to recover both actual losses and the defendant’s profits.

15.1	Preliminary Instruction—Trademark	302
15.2	Definition—Trademark (15 U.S.C. § 1127)	305
15.3	Definition—Trade Dress (15 U.S.C. § 1125(a))	308
15.4	Definition—Trade Name/Commercial Name (15 U.S.C. § 1127)	311
15.5	Trademark Liability—Theories and Policies (15 U.S.C. §§ 1114(1), 1125(a))	312
15.6	Infringement—Elements and Burden of Proof—Trademark (15 U.S.C. § 1114(1))	314
15.7	Infringement—Elements and Burden of Proof—Trade Dress (15 U.S.C. § 1125(a)(1))	316
15.8	Infringement—Elements—Presumed Validity and Ownership—Registered Trademark (15 U.S.C. §§ 1057, 1065 and 1115)	318
15.9	Infringement—Elements—Validity—Unregistered Marks	323
15.10	Infringement—Elements—Validity—Unregistered Mark—Distinctiveness	324
15.11	Infringement—Elements—Validity—Distinctiveness—Secondary Meaning	330
15.12	Infringement—Elements—Validity—Trade Dress—Non-Functionality Requirement	333
15.13	Infringement—Elements—Ownership—Generally	336
15.14	Infringement—Elements—Ownership—Priority Through Tacking	338
15.15	Trademark Ownership—Assignee (15 U.S.C. § 1060)	339
15.16	Trademark Ownership—Licensee	340
15.17	Trademark Ownership—Merchant or Distributor	341
15.18	Infringement—Likelihood of Confusion—Factors— <i>Sleekcraft</i> Test (15 U.S.C. §§ 1114(1) and 1125(a))	342
15.19	Infringement—Likelihood of Confusion—Factor—Strength of Trademark	346
15.19A	Expressive Works	349
15.20	Derivative Liability—Inducing Infringement	351
15.21	Derivative Liability—Contributory Infringement	352
15.22	Defenses—Abandonment—Affirmative Defense—Defendant’s Burden of Proof (15 U.S.C. § 1127)	354
15.23	Defenses—Continuous Prior Use Within Remote Geographic Area—Affirmative Defense (15 U.S.C. § 1115(b)(5))	356
15.24	Defenses—“Classic” Fair Use (15 U.S.C. § 1115(b)(4))	358
15.25	Defenses—Nominative Fair Use	361
15.26	Trademark Damages—Actual or Statutory Notice (15 U.S.C. § 1111)	364
15.27	Trademark Damages—Plaintiff’s Actual Damages (15 U.S.C. § 1117(a))	365
15.28	Trademark Damages—Plaintiff’s Statutory Damages (15 U.S.C. § 1117(c) and (D))	367
15.29	Trademark Damages—Defendant’s Profits (15 U.S.C. § 1117(a))	368
15.30	Trademark Dilution (15 U.S.C. § 1125(c))	370
15.31	Anti-Cybersquatting (15 U.S.C. § 1125(d))	371
16.	Patents (withdrawn)	372
17.	Copyright	373
17.1	Preliminary Instruction—Copyright	375

17.2	Copyright—Defined (17 U.S.C. § 106)	379
17.3	Copyright—Subject Matter—Generally (17 U.S.C. § 102)	380
17.4	Copyright—Subject Matter—Ideas and Expression (17 U.S.C. § 102(b)).	382
17.5	Copyright Infringement—Elements—Ownership and Copying (17 U.S.C. § 501(a)–(B)).	383
17.6	Copyright Infringement—Ownership of Valid Copyright—Definition (17 U.S.C. §§ 201–205)	385
17.7	Copyright Infringement— Copyright Registration Certificate (17 U.S.C. § 410(c)).	386
17.8	Copyright Interests—Authorship (17 U.S.C. § 201(a))	388
17.9	Copyright Interests—Joint Authors (17 U.S.C. §§ 101, 201(a))	389
17.10	Copyright Interests—Authors of Collective Works (17 U.S.C. § 201(c))	392
17.11	Copyright Interests —Work Made for Hire by Employee (17 U.S.C. § 201(b))	393
17.12	Copyright Interests —Assignee (17 U.S.C. § 201(d)(1))	396
17.13	Copyright Interests—Exclusive Licensee (17 U.S.C. § 201(d)(2))	398
17.14	Copyright Infringement—Originality	400
17.15	Copyright Interests—Derivative Work (17 U.S.C. §§ 101, 106(2)).	402
17.16	Compilation (17 U.S.C. § 101).	404
17.17	Copying—Access and Substantial Similarity	405
17.18	Copyright Infringement—Copying—Access Defined	407
17.19	Substantial Similarity—Extrinsic Test; Intrinsic Test	409
17.20	Secondary Liability—Vicarious Infringement—Elements and Burden of Proof.	411
17.21	Secondary Liability—Contributory Infringement—Elements and Burden of Proof.	413
17.21A	Copyright—Useful Articles/Functional Elements (17 U.S.C. § 101)	415
17.22	Copyright—Affirmative Defense—Fair Use (17 U.S.C. § 107).	416
17.23	Copyright—Affirmative Defense—Abandonment.	420
17.24	Copyright—Affirmative Defense—Copyright Misuse.	421
17.25	Copyright—Affirmative Defense—Implied License	423
17.25A	Copyright—Affirmative Defense—Express License	425
17.26	Copyright—Affirmative Defense—First Sale (17 U.S.C. § 109(a)).	426
17.27	Copyright—Service Provider of Network Communications Services Defined (17 U.S.C. § 512(i), (K)).	427
17.28	Copyright—Affirmative Defense—Limitation on Liability for Transitory Digital Network Communications (17 U.S.C. § 512(a))	428
17.29	Copyright—Affirmative Defense—Limitation on Liability for System Caching (17 U.S.C. § 512(b)).	430
17.30	Copyright—Affirmative Defense—Limitation on Liability for Information Residing on Systems or Networks at Direction of Users (17 U.S.C. § 512(c))	433
17.31	Copyright—Affirmative Defense—Limitation on Liability for Information Location Tools (17 U.S.C. § 512(d))	436
17.32	Copyright—Damages (17 U.S.C. § 504)	438
17.33	Copyright—Damages—Actual Damages (17 U.S.C. § 504(b)).	439

17.34 COPYRIGHT—DAMAGES—DEFENDANT’S PROFITS
(17 U.S.C. § 504(b))

In addition to actual damages, the copyright owner is entitled to any profits of the defendant attributable to the infringement. You may not include in an award of profits any amount that you took into account in determining actual damages.

You may make an award of the defendant’s profits only if you find that the plaintiff showed a causal [relationship] [nexus] between the infringement and the [profits generated indirectly from the infringement] [defendant’s gross revenue].

The defendant’s profit is determined by [deducting] [subtracting] all expenses from the defendant’s gross revenue.

The defendant’s gross revenue is all of the defendant’s receipts from the [use] [sale] of a [[product] [work]] [[containing or using the copyrighted work] [associated with the infringement]]. The plaintiff has the burden of proving the defendant’s gross revenue by a preponderance of the evidence.

Expenses are all [operating costs] [overhead costs] [and] production costs incurred in producing the defendant’s gross revenue. The defendant has the burden of proving the defendant’s expenses by a preponderance of the evidence.

Unless you find that a portion of the profit from the [use] [sale] of a [product] [work] containing or using the copyrighted work is attributable to factors other than use of the copyrighted work, all of the profit is to be attributed to the infringement. The defendant has the burden of proving the [portion] [percentage] of the profit, if any, attributable to factors other than [copying] [infringing] the copyrighted work.

Comment

In a multi-defendant case, this instruction may need to be tailored according to the defendant to whom it applies. Where there are multiple infringers of a copyright, all infringers are jointly and severally liable for the plaintiff’s actual damages, but each defendant is severally liable for the defendant’s own illegal profits. *See Frank Music Corp. v. Metro-Goldwyn-Mayer, Inc.*, 772 F.2d 505, 519 (9th Cir. 1985).

“In establishing the infringer’s profits, the copyright owner is required to present proof only of the infringer’s gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work.” 17 U.S.C. § 504(b). The statute “creates a two-step framework for recovery of indirect profits: (1) the copyright claimant must first show a causal nexus between the infringement and the [infringer’s] gross revenue; and (2) once the causal nexus is shown, the infringer bears the burden of apportioning the profits that were not the result of infringement.” *Polar Bear Prods., Inc. v. Timex Corp.*, 384 F.3d 700, 711 (9th Cir. 2004); *see also id.* at 714 n.10 (approving jury

instruction stating: “Indirect profits have a less direct connection or link to the infringement. Plaintiff seeks indirect profits in this case. To recover indirect profits, Plaintiff must establish a causal relationship between the infringement and the profits generated indirectly from such infringement.”).

The “fundamental standard” for whether a causal nexus is shown as required for an award of indirect profits is that the plaintiff “must proffer some evidence . . . [that] the infringement at least partially caused the profits that the infringer generated as a result of the infringement.” *Polar Bear Prods.*, 384 F.3d at 711 (omission and alteration in original) (quoting *Mackie v. Rieser*, 296 F.3d 909, 911 (9th Cir. 2002)) (holding that plaintiff seeking to recover indirect profits must “formulate the initial evidence of gross revenue duly apportioned to relate to the infringement”); *see also Mackie*, 296 F.3d at 916 (holding that artist could not recover indirect profits unless he demonstrated with “non-speculative evidence” causal link between infringement and subsequent indirect profits, such as how many individuals subscribed to symphony because artist’s work appeared on one page of symphony brochure).

In the Ninth Circuit, the calculation of actual damages under the 1909 Copyright Act differs from that under the 1976 Copyright Act. Prior to 1985, the Ninth Circuit interpreted the 1909 Copyright Act as allowing recovery of only the higher of actual damages or infringer profits. This differed from other circuits, where recovery of both actual damages and the infringer’s profits was allowed. However, in the 1976 Copyright Act, Congress resolved these differing interpretations to allow recovery of both actual damages and the infringer’s profits. *See Frank Music Corp.*, 772 F.2d at 512 & n.5.

A jury instruction on the defendant’s profits must adequately convey the burden of proof on attribution of profit. The copyright owner is required to present proof “only of the infringer’s gross revenue, and the infringer is required to prove . . . deductible expenses” and “what percentage of the infringer’s profits” were not attributable to copying the infringed work. 17 U.S.C. § 504(b); *see also Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 487 (9th Cir. 2000). However, “gross revenue” for purposes of determining indirect profits means “the gross revenue associated with the infringement, as opposed to the infringer’s overall gross sales resulting from all streams of revenue.” *Polar Bear Prods.*, 384 F.3d at 711 n.8; *see also id.* at 711 (noting that Ninth Circuit definition, like that in other circuits, applies “rule of reason” so that “the causation element . . . serves as a logical parameter to the range of gross profits a copyright plaintiff may seek”).

Where the defendant’s profits are derived from both infringing and noninfringing activities, not all of the defendant’s profits can be attributed to the infringement. Accordingly, the profits should be apportioned. *See Cream Records, Inc. v. Joseph Schlitz Brewing Co.*, 754 F.2d 826, 828-29 (9th Cir. 1985); *Polar Bear Prods.*, 384 F.3d at 711-12 (“[T]o conclude that a copyright plaintiff need only provide the company’s overall gross revenue, without regard to the infringement, would make little practical or legal sense.”). However, the benefit of the doubt in apportioning profits is given to the plaintiff. *See Frank Music Corp. v. Metro-Goldwyn-Mayer, Inc.*, 886 F.2d 1545, 1549 (9th Cir. 1989) (appeal after remand). Precision is not required, as long as a “reasonable and just apportionment” of profits is reached. *See Frank Music Corp.*, 772

F.2d at 518. In the final analysis, “where infringing and noninfringing elements of a work cannot be readily separated, all of a defendant’s profits should be awarded to a plaintiff.” *Nintendo of Am., Inc. v. Dragon Pac. Int’l*, 40 F.3d 1007, 1012 (9th Cir. 1994).

For cases providing examples of the calculation of profits, see *Polar Bear Prods.*, 384 F.3d at 712-16 (upholding award of profits based on expert testimony of certain sales figures but rejecting award for enhanced brand prestige); *Frank Music Corp.*, 772 F.2d at 519 (discussing calculation and proof of profits attributable to infringement and holding that indirect profits are recoverable if ascertainable; e.g., plaintiff could claim profits resulting from hotel and gambling operations resulting from infringing stage show); *Cream Records*, 754 F.2d at 828-29 (awarding profits from defendant’s sale of beverage following defendant’s use of plaintiff’s song in commercial); and *May v. Watt*, 822 F.2d 896, 901 (9th Cir. 1987) (involving increase in value of condominium through use of infringed architectural plans); *Lucky Break Wishbone Corp. v. Sears Roebuck & Co.*, 373 Fed.App’x 752, 757-58 (9th Cir. 2010) (applying presumption, in unpublished disposition, that jury “fulfilled its duty to apportion profits” although the jury failed to apportion profits explicitly).

For cases providing examples of the deductions from defendant’s gross revenue, see *Frank Music Corp.*, 886 F.2d at 1548 (deducting direct costs of production from defendant’s gross profit); *Kamar Int’l, Inc. v. Russ Berrie & Co.*, 752 F.2d 1326, 1332 (9th Cir. 1984) (allowing deduction of overhead when infringer can demonstrate that it actually assisted production, distribution or sale of infringing product); *Three Boys Music*, 212 F.3d at 487 (adopting special master’s recommendation to allow nonwillful infringers to deduct income taxes and management fees actually paid on infringing profits, but not on Net Operating Loss Carry-forward (NOL) because NOL did not have “concrete financial impact”).

ELEVENTH CIRCUIT

PATTERN JURY INSTRUCTIONS

(CIVIL CASES)

2019

JONES ACT - NEGLIGENCE AND UNSEAWORTHINESS INSTRUCTIONS

8.1 General Instruction (Comparative Negligence Defense)

8.2 Maintenance and Cure

COPYRIGHT INSTRUCTIONS

9.1 Validity - General Charge

9.2 Validity - Originality

9.3 Validity - Copyright Notice - Pre-Berne Convention Implementation Act - Alternate Version

9.4 Validity - Effect of Registration

9.5 Validity - Registration of a Derivative or Collective Work

9.6 Validity - Registration - Supplemental Registration

9.7 Validity - How Obtained (For Use Where No Presumption of Validity Applies)

9.8 Validity - Invalid Copyright Registration - Fraud on the Copyright Office

9.9 Validity - Compilations and Collective Works

9.10 Validity - Ideas and Expression

9.11 Validity - The Merger Doctrine

9.12 Ownership - General Charge

9.13 Ownership - Individual Authorship

9.14 Ownership - Joint Authorship

9.15 Ownership - Work Made for Hire

9.16 Ownership - Transfer

9.17 Infringement - Introduction to Elements

9.18 Infringement - Access

9.19 Infringement - Substantial Similarity

9.20 Infringement - Contributory Infringement

9.21 Infringement - Vicarious Infringement

9.22 Infringement - Software

9.23 Infringement - Software Compatibility

9.24 Defenses - Independent Creation

9.25 Defenses - Affirmative Defense - Fair Use

9.26 Defenses - Affirmative Defense - First Sale

9.27 Defenses - Affirmative Defense - Implied License

9.28 Defenses - Affirmative Defense - Copyright Estoppel (Advisory Jury)

9.29 Defenses - Affirmative Defense - Statute of Limitations

9.30 Damages - General Charge

9.31 Damages - Actual Damages

9.32 Damages - Statutory Damages

9.33 Damages - Disgorgement of Profits

TRADEMARK INSTRUCTIONS

10.1 Trademark Infringement - Registered Trademark

10.2 Trademark Infringement - Unregistered Trademark

10.3 Defenses to Claim of Infringement of a Trademark

10.4 Counterclaims for Cancellation of a Federal Trademark Registration

10.5 Trademark Dilution

10.6 Trademark Counterfeiting

10.7 Trademarks - Violation of 15 U.S.C. § 1125(d) - The Anti-Cybersquatting Consumer Protection Act

10.8 Trademarks - False Advertising

TRADE SECRETS INSTRUCTIONS

11.1 Trade Secrets – Misappropriation of a Trade Secret

11.2 Trade Secrets – Affirmative Defense – Statute of Limitations

11.3 Trade Secrets – Affirmative Defense – Lawful Means of Acquisition

11.4 Trade Secrets – Damages – Compensatory

11.5 Trade Secrets – Damages – Exemplary

9.33: Copyright – Damages – Disgorgement of Profits

In addition to actual damages, [name of plaintiff] is also entitled to [name of defendant]'s profits that are attributable to the infringement you found, but only to the extent they are not already taken into account in calculating [name of plaintiff]'s actual damages. An award of [name of defendant]'s profits may not include any amounts that were accounted for in calculating [name of plaintiff]'s actual damages to avoid double recovery.

In calculating [name of defendant]'s profits, you should determine the gross revenues received by [name of defendant] that were attributable to the infringement you found, and then subtract the deductible expenses incurred by [name of defendant], any portions of the gross revenues attributable to factors other than infringement, and any amount already taken into account in calculating actual damages. [You should calculate the profits of each defendant separately]. [Name of plaintiff] has the burden of proving, by a preponderance of the evidence, [name of defendant]'s gross revenue attributable to the infringement you found, and a causal relationship between the infringement and [name of defendant]'s profits. [Name of defendant] has the burden of proving, by a preponderance of the evidence, any deductible expenses incurred and any portions of the revenue that are attributable to factors other than infringement.

SPECIAL INTERROGATORIES TO THE JURY

1. Did [name of plaintiff] prove by a preponderance of the evidence that [name of defendant] received profits that were causally related to the infringement you found of the copyrighted work?

Answer Yes or No _____

If you answered “Yes” for any [defendant], go to the next question. If you answered “No” for all [defendants] you may go to [Question/Section] ____.

2. What amount of gross revenue attributable to infringement of the copyrighted work, if any, has [name of plaintiff] proven by a preponderance of the evidence was received by [name of defendant]?

[Name of defendant] \$ _____

[Name of defendant] \$ _____

3. What amount of deductible expenses, if any, has [name of defendant] proven by a preponderance of the evidence?

[Name of defendant] \$ _____

[Name of defendant] \$ _____

4. What amount of deductible expenses, if any, has [name of defendant] proven by a preponderance of the evidence was incurred in making the gross revenue above?

[Name of defendant] \$ _____

[Name of defendant] \$ _____

5. What portion of [name of defendant]'s profits, if any, has [name of defendant] proven by a preponderance of the evidence is attributable to factors other than infringement?

[Name of defendant] \$ _____

[Name of defendant] \$ _____

6. What amount of money do you determine is [name of defendant]'s profits that are attributable to the infringement you found, that were not already taken into account in calculating [name of plaintiff]'s actual damages?

[Name of defendant] \$ _____

[Name of defendant] \$ _____

ANNOTATIONS AND COMMENTS

17 U.S.C. § 504(a)(1) & (b); *Pronman v. Styles*, 645 F. App'x 870, 873 (11th Cir. 2016); *Telecom Tech. Servs. v. Rolm Co.*, 388 F.3d 820, 830 (11th Cir. 2004); *Montgomery v. Noga*, 168 F.3d 1282, 1294-1296 (11th Cir. 1999).

Deductible expenses include all costs incurred by the defendant in making the gross revenue amount proven by the plaintiff. *See Petrella v. MGM*, 134 S. Ct. 1962, 1973 (2014) (“the Act allows the defendant to prove and offset against profits made . . . ‘deductible expenses’ incurred in generating those profits.”). In addition, the defendant may prove and offset “‘elements of profit attributable to factors other than the copyrighted work.’” *Id.* (quoting § 504(b)). “The defendant thus may retain the return on investment shown to be attributable to its own enterprise, as distinct from the value created by the infringed work.” *Id.* (citing *Sheldon v. Metro-Goldwyn Pictures Corp.*, 309 U.S. 390, 402, 407, 60 S. Ct. 681, 84 L. Ed. 825 (1940)).



SECTION of
LITIGATION
AMERICAN BAR ASSOCIATION

MODEL JURY INSTRUCTIONS

Copyright, Trademark and Trade Dress Litigation



Intellectual Property Litigation Committee
SECTION OF LITIGATION
AMERICAN BAR ASSOCIATION



1.4.4.	Idea Versus Expression	22
1.4.5.	The Scope of Protection for Fictional Works	23
1.4.6.	The Scope of Protection for Factual Works	25
1.4.7.	The Merger Doctrine	26
1.4.8.	The Doctrine of Scènes à Faire	28
1.5.	Infringement	30
1.5.1.	Elements of Direct Infringement	30
1.5.2.	Copying—Proof by Direct or Circumstantial Evidence	33
1.5.3.	Copying—Proof by Circumstantial Evidence of Similarity	34
1.5.4.	Copying—Indirect Evidence: Access and Probative Similarity	35
1.5.5.	Proof of Copying by Indirect Evidence: Striking Similarity	36
1.5.6.	Copying—Indirect Evidence: Significance of Common Errors	38
1.5.7.	Copying—Indirect Evidence: Significance of Dissimilarities	39
1.5.8.	Sufficiency of Copying	39
1.5.9.	Irrelevance of Intent	48
1.5.10.	Computer Programs—Abstraction-Filtration-Comparison Test	49
1.5.11.	Intermediate Copying of Computer Programs	56
1.5.12.	Contributory Infringement	58
1.5.13.	Vicarious Infringement	60
1.6.	Defenses	62
1.6.1.	Independent Creation	62

1.6.2.	License from Plaintiff	64
1.6.3.	License from Person Named on Copyright Notice	65
1.6.4.	License from Another	66
1.6.5.	Fair Use	66
1.6.6.	Parody and Satire	70
1.6.7.	First Sale	71
1.6.8.	Abandonment	73
1.6.9.	Copyright Misuse	74
1.6.10.	Statute of Limitations	75
1.7.	Damages	76
1.7.1.	Introduction	76
1.7.2.	Actual Damages	77
1.7.3.	Infringer's Profits	77
1.7.4.	Statutory Damages	78
1.7.5.	Timely Registration Prerequisite to Statutory Damages Award	79
1.7.6.	One Statutory Damages Award per Work	80
1.7.7.	State of Mind and Corresponding Ranges of Statutory Damages	82
1.7.8.	Factors to Consider in Assessing Statutory Damages	84
1.7.9.	Willfulness and Reliance on Advice of Counsel	85
1.8.	Digital Millennium Copyright Act	86
1.8.1.	Introductory Instruction on Claims and Defenses	86
1.8.2.	Prohibition on Circumvention of Access Control Measures	89

2. Statutory damages.

Authorities

17 U.S.C. § 504(a).

COMMENT

This instruction may be appropriate if the plaintiff has not chosen between actual or statutory damages before trial. If the election was made before trial, there should be no need for this instruction and the court can proceed to instruct on either actual or statutory damages, as the case may be, without any need to comment on the other.

1.7.2. Actual Damages

Actual damages are intended to compensate a copyright owner for losses due to the infringement. Actual damages include any profits plaintiff may have lost due to the infringement, including but not limited to sales of the copyrighted work, and/or a reasonable license fee that defendant would have or should have paid for the use. You should broadly construe actual damages to favor victims of infringement, keeping in mind that a principal objective of copyright law is to enable creators to earn a living through the sale or licensing of their copyrighted works.

Authorities

17 U.S.C. § 504(b); *On Davis v. The Gap, Inc.*, 246 F.3d 152, 164 (2d Cir. 2001).

1.7.3. Infringer's Profits

In addition to her actual damages, plaintiff also is entitled to defendant's profits that are attributable to the infringement, to the extent not already taken into account in computing plaintiff's actual damages. If defendant's profits have been accounted for in the award of actual damages, to avoid double

recovery, a separate award of defendant's profits should not be made.

In establishing the amount of defendant's profits, plaintiff is required to present proof only of defendant's gross revenue and that there is some reasonable relationship, either direct or indirect, between those revenues and the infringement. Once these two elements are established, the burden of proof then shifts to defendant to reduce this amount. Defendant must then prove, by a preponderance of evidence, the amount of his deductible expenses, and other elements of profit attributable to factors other than the infringement.

In other words, you are to calculate the profits attributable to the infringement, if you find any, as defendant's gross revenues proven by plaintiff, less the costs and other elements that defendant proves are related to factors other than infringement. Such costs and other deductible amounts may include, for example, a reasonable portion of overhead expenses such as rent, marketing, and other business costs that are related to the production of the infringing product.

Authorities

17 U.S.C. § 504(b); *Andreas v. Volkswagen of Am., Inc.*, 336 F.3d 789, 796 (8th Cir. 2003); *On Davis v. The Gap, Inc.*, 246 F.3d 152, 159-60 (2d Cir. 2001); *Hamil Am., Inc. v. GFI*, 193 F.3d 92, 104-05 (2d Cir. 1999), *cert. denied*, 528 U.S. 1160 (2000).

1.7.4. Statutory Damages

A copyright owner may elect to recover statutory damages for each infringed work that was timely registered. Within certain limits that I will describe below, the statute gives you broad discretion to determine the amount of statutory damages that you find to be just in light of the evidence presented. In deciding what amount is just, you should take into consideration the purposes and factors that I will describe to you.

The general purposes of statutory damages include the following: